



SENATE BILL 848: Infrastructure Reimbursement Agmts

2013-2014 General Assembly

Committee: House Finance
Introduced by: Sens. Hartsell, Tarte
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SUMMARY: *Senate Bill 848 authorizes the Town of Mint Hill and the Cities of Concord and Kannapolis to enter into reimbursement agreements with private developers and property owners for the design and construction of municipal infrastructure included in the municipality's Capital Improvement Plan or similar infrastructure development plan.*

CURRENT LAW: Local governments in North Carolina must comply with the statutory requirements for purchasing and contracting when acquiring infrastructure through the expenditure of public monies. Article 8 of Chapter 143 contains the statutory requirements for purchasing and contracting. If a construction project is estimated to cost \$300,000 or more, the local government is required to formally bid the project. If the project is less, the bidding is informal. G.S. 143-128.2 contains the minority bidding requirements applicable to any State building project. G.S. 143-129 contains the public advertising and bid opening requirements applicable to any State building project.

BILL ANALYSIS: Senate Bill 848 would allow the Town of Mint Hill and the Cities of Concord and Kannapolis to enter into reimbursement agreements with private developers and property owners for the design and construction of municipal infrastructure.

The municipalities must enact ordinances setting out the procedures and terms under which such agreements can be approved. Payment for the reimbursements may come from any lawful source.

All of the following would apply to any such agreement:

1. The infrastructure would have to be included in the Capital Improvement Plan of the Town or City.
2. The infrastructure would have to serve the developer or property owner.
3. The developer or property owner would have to comply with the provisions of G.S. 143-129 and G.S. 143-128.2 relating to public advertising and bid opening, if applicable, if the developer or property owner desires to be reimbursed by the Town or City.
4. Compliance with no other provision of Article 8 of Chapter 143 would be mandatory under the local act.

EFFECTIVE DATE: This act is effective when it becomes law, and expires on June 30, 2021.

BACKGROUND: The General Assembly has enacted similar legislation for the following local governments: Garner (S.L. 1993-281), Charlotte/Mecklenburg (S.L. 2001-329; 2009-162), Apex, Broadway, Cary, Goldston, Holly Springs, Pittsboro, Siler City, Sanford, all municipalities in Cabarrus County, and Cabarrus, Chatham, Durham, and Lee Counties (S.L. 2005-41).

Giles Perry, counsel to House Government, and Chris Saunders, counsel to Senate State and Local Government, substantially contributed to this summary.

